

Exit Readiness – Dutch Tax Services

For private equity investors, exit value is maximized long before a sale process begins. Early assessment and optimization of the tax profile and capital structure, combined with proactive identification and mitigation of tax risks, enhances deal certainty, protects valuation and strengthens buyer confidence.

In today's transaction environment, buyers conduct thorough due diligence under compressed timelines, and identified risks are quickly reflected in price adjustments, conditions or execution delays. Exit readiness is, therefore, not a final step in the process but a value protection strategy implemented well in advance of a sale.






Early Action Drives Exit Value

Private equity is at an inflection point in 2026, as firms face a more challenging environment marked by higher capital costs, extended holding periods and heightened investor expectations. In this context, strategic discipline and proactive value creation, particularly in preparing for exit, are critical to achieving successful outcomes and maximizing returns. Early assessment of tax exposures and broader exit readiness ensures that risks are identified, quantified and addressed before buyer scrutiny begins.

A&M TAX APPROACH

A&M Tax supports shareholders and management in preparing portfolio companies for exit by:

-  Proactively identifying the value of potential tax benefits and cash-like items (including exposures) and mitigating tax risks ahead of buy-side due diligence
-  Assessing historical structuring decisions and capital structures under buyer scrutiny
-  Strengthening documentation and defensibility of key tax positions, including safeguarding tax attributes
-  Obtaining tax insurance for uncertain tax positions and/or tax rulings

Our focus is clear: enhance deal certainty and safeguard equity value at exit, while actively preserving and optimizing tax attributes to drive value creation, promote smoother deal execution and foster greater investor confidence. The following two illustrative examples demonstrate why an exit-readiness trajectory is more of a must than a nice-to-have.



Transfer Pricing

Transfer Pricing (TP) risks are typically excluded from Warranty & Indemnity (W&I) insurance unless robust documentation is in place. Standard W&I policies usually carve out transfer pricing and other tax exposures when due diligence is limited, which can lead to exclusions or valuation pressure. If a TP exclusion applies, buyers often require a specific indemnity from the seller, which undermines a so-called clean exit. Conversely, when a well-designed TP framework is thoroughly documented and aligned with actual conduct, insurers may provide affirmative coverage, thereby enhancing deal certainty and reducing negotiation friction.



Operational Tax Risks

In a buy-side diligence engagement, parties may identify a material corporate income tax ("CIT") exposure arising from outdated loss positions. For example, a company may have reported losses in its FY24 CIT return to reduce its taxable income. However, due diligence may reveal that these losses have already been fully utilized and should not have been applied to the FY24 CIT return. If the tax authority has not yet finalized the return and issued a final tax assessment, it could determine that the losses were incorrectly applied. As a result, the tax authorities could adjust the reported tax in the FY24 CIT return. This could result in a material additional CIT liability in the future, potentially affecting the purchase price of the shares. This example underscores how tax compliance issues, including customs and other indirect tax exposures, can directly influence transaction outcomes.

WHY CONTACT A&M DUTCH TAX?

One Integrated Global Firm

For more than three decades, Alvarez & Marsal has set the standard for helping organizations tackle complex business issues, boost operating performance and maximize stakeholder value.

1983

FOUNDED

40+

COUNTRIES

95+

OFFICES

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EMPLOYEES

1,500+

MANAGING
DIRECTORS

We provide integrated tax and financial advisory services across M&A transactions. Working closely with A&M's PEPI (Private Equity Performance Improvement) and Restructuring teams, we support clients at every stage, from growth and acquisition to restructuring and exit. Our global platform ensures clients benefit from an optimal tax structure, regardless of industry or location.

We customize our approach to the client's unique business model and needs to determine the best solution as companies conduct their work globally. We remain flexible to ensure we work in cooperation with other workstream initiatives and accommodate their procedures. Thanks to our independent status, we can act quickly to deliver the answer you need and avoid audit-based conflicts.

Our broad, operational expertise in international tax consulting helps clients maintain competitiveness. Clients value us for our:

Integrated Approach to M&A:

Our team integrates the financial and tax due diligence components of a transaction to mitigate risk, add value and meet any challenges that arise.

A True Alternative:

A&M represents a nimble, true alternative to name brand consultancies to provide timely advice and flexible responses.

Independent Advice:

We are not an audit or CPA firm and do not operate a legal practice. There are no audit- or legal-related conflicts of interest that would impair our independence for future client work.

One Global Firm:

A&M's global resources provide clients with the knowledge and expertise they need, no matter where they do business.

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